

# Property Summit

## Forward funding models: A Solution to the Funding Gap for Small & Medium Sized Developments

Michael Broderick – Chief Commercial Officer

4<sup>th</sup> December 2019



Rialtas na hÉireann  
Government of Ireland

**HBFI**

Maoiniú Teaghais-Tógála Éireann  
Home Building Finance Ireland

# Agenda

- Residential Lending Landscape
- Role of HBFi
- Funding Availability
- Lending Criteria
- Business to date
- Case Studies
- Summary



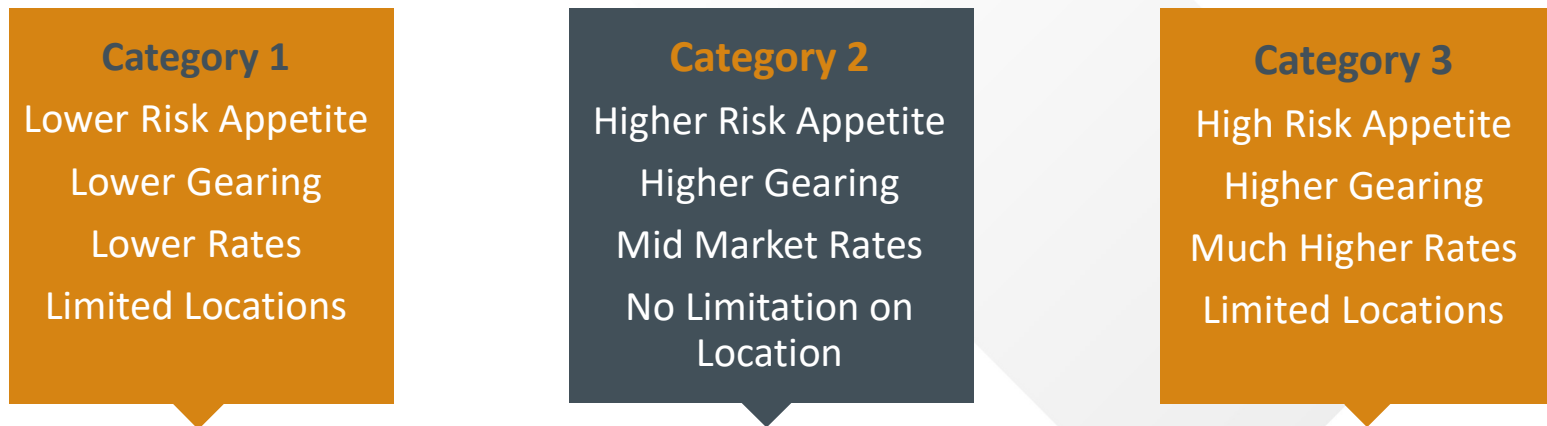
Rialtas na hÉireann  
Government of Ireland

**HBFi**

Maoiniú Teaghais-Tógála Éireann  
Home Building Finance Ireland

# Residential Lending Landscape

- Risk Appetite / Gearing / Rates / Location
- Viability / Affordability



Lenders in the Residential Market fall into one of three Categories

## Role of HBFi

*HBFi was established to help increase the supply of new homes in the State, through the provision of finance to commercially viable residential property developments:*

- Emphasis on developments where builder/developers experience difficulty raising funding from traditional sources or where there are overly onerous restrictions on the funding available.
- A particular focus on areas outside the main urban areas where funding seems to be more difficult to secure
- HBFi Considerations – Demand / Viability / Experience and Ability of Builder/Developer

## Funding Availability

**€730m**

HBFI has **€730m** available for lending & €20m equity (from a €750m ISIF facility which is in place)

**€750m**

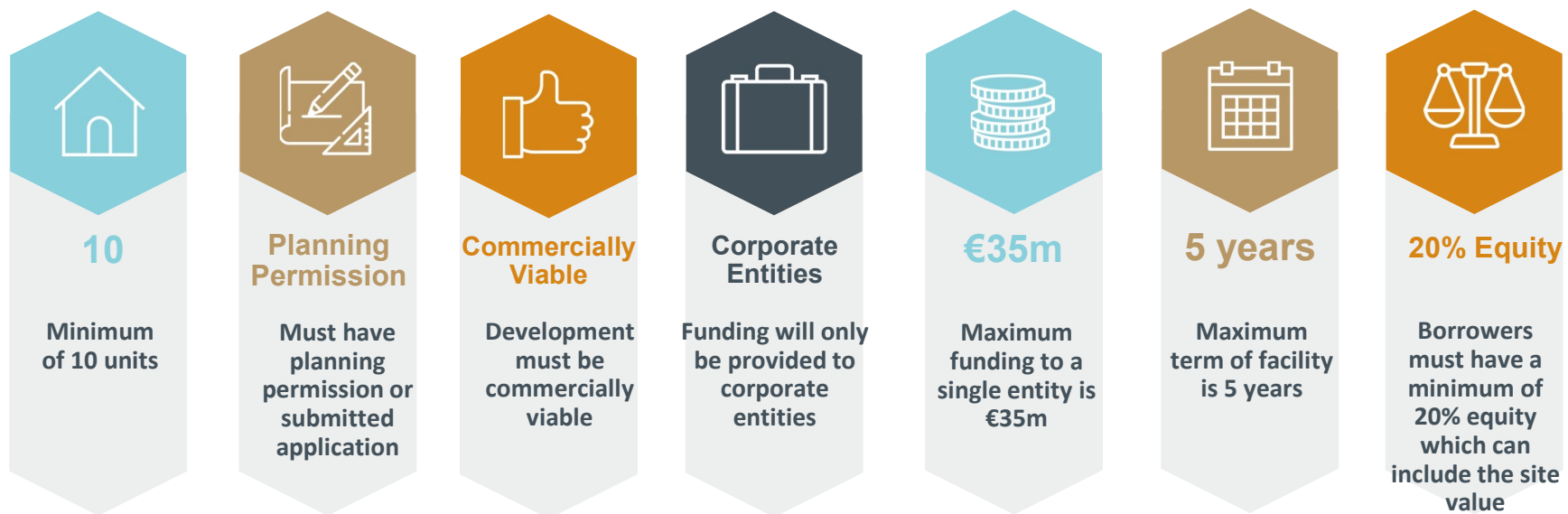
A further **€750m** can be raised in the markets if required

**7,500**

HBFI will have the ability to fund **7,500** units over 5 years

*HBFI has ongoing engagement with the sector to promote our offering and understand the evolving need for funding throughout Ireland.*

## Lending Criteria



HBFI will provide senior debt funding to small and medium sized developments on a commercial basis, subject to certain terms and conditions

## Significant interest in first nine months to end October

- **145** Expressions of Interest received from throughout the country.
- **48** full loan applications received.
- Applications by Region :-
  - Leinster 58%
  - Munster 31%
  - Connaught 4%
  - Ulster 6%
- Close to **90%** of applications are outside of Dublin.
- Very healthy pipeline heading into Q1, 2020.

*(\*figures do not total due to rounding)*

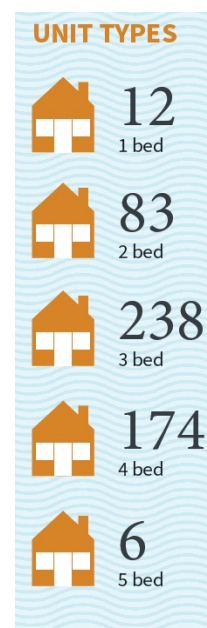
## HBFI Facilities Approved in first nine months to end October





## Profile of Facilities Approved

- Wide geographic spread of approvals.
- Market includes – first time buyers, Approved Housing Bodies and Local Authorities.
- Development size - 10 to 76 units - Average 34.
- Loan facilities - €1.5m to €18m - Average €7m.



## Case Study – Silzury Ltd (Derrin Homes)

- Site Purchase and Development funding provided by HBFi
- 73 Unit Development, Kildare Town
- Well serviced by rail commuter service
- Easy access to Motorway network
- Local Amenities to include schools, shops and restaurants
- Unit Types:
  - 8 – 1 Bedroom
  - 18 – 2 Bedroom
  - 28 – 3 Bedroom
  - 13 – 4 Bedroom
  - 6 – 5 Bedroom



## Examples of Facilities Approved

### Facility A:

- Development of 56 apartments in South of Ireland for an AHB
- Approved facility of €9.92m at LTC of 80%, 19 months term

### Facility B:

- Development of 12 houses in Mid West
- Approved facility of €2m at LTC of 76%, 18 month term

### Facility C:

- Development of 17 houses in North East of Ireland
- Approved facility of €3m at LTC of 60%, 18 month term

### Facility D:

- Development of 76 houses in a Mid East of Ireland
- Approved facility of €17.9m at LTC of 80%, 44 month term



## Summary



# Thank You

*Further information is available on our website:*

[www.hbfi.ie](http://www.hbfi.ie)

*Alternatively, follow us on LinkedIn:*



<https://www.linkedin.com/company/hbfi-home-building-finance-ireland-hbfi/>



Rialtas na hÉireann  
Government of Ireland

**HBFI**

Maoiniú Teaghais-Tógála Éireann  
Home Building Finance Ireland